

CELTIC MINERALS LTD.

#1870, 205 – 5th Avenue SW
Calgary, Alberta T2P 2V7
Telephone: (403) 261-2890
Fax: (403) 264-0793
E-mail: info@celticminerals.com
Web Site: www.celticminerals.com

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CELTIC ACQUIRES OPTION ON CRATER MOUNTAIN GOLD PROJECT

Celtic Minerals Ltd., (CME:TSXV) has concluded an Option Agreement with New Guinea Gold Corporation (NGG.TSXV) whereby Celtic can acquire a 75% interest in the 44 square kilometer Crater Mountain Project in the Eastern Highlands of Papua New Guinea.

Terms of Acquisition

Under the terms of the agreement, Celtic will earn a 51% interest in the concession by completing work programs totaling CDN \$2.0 million within a three year period ending March, 2007 and the right to acquire an additional 24% interest in the concession by incurring further expenditures of CND \$2.0 million within a five year period ending March, 2009. *This time schedule can be accelerated.* Should all terms of the agreement be executed Celtic would own a 75% interest in the concession at the end of term.

Historical Drilling and Exploration

BHP Minerals completed three drill holes exploring primarily for porphyry style copper mineralization. One drill intercept hit a *very encouraging 115m at 1.83 g/t gold with the hole terminated at a depth of 340m while still in gold mineralization.*

Macmin Silver completed four drill holes including the *best result of 24m at 6.55 g/t gold also ending while still in gold mineralization.*

All drill holes showed intense silica, argilic or carbonate alteration. Holes 4, 6 and 7 intersected numerous narrow and potentially structurally controlled intersections of mineralization. ***Celtic is very encouraged by these results as they appear to indicate that most holes intersected the envelope or upper parts of a major gold bearing hydrothermal system.*** All historical drilling was contained within a small portion of a 12 km² mineralized area. The majority of the mineralized area has not been explored.

Additional Geological Information

Geologically, the highlands of Papua New Guinea (PNG) were formed by the collision of the Australian Continental Plate and the Melanesian Oceanic Plate. Plate boundaries are very favorable locations for mineral deposits and in the PNG highlands several major deposits are located along this zone (OK Tedi- 25M/oz Au and 3.5Mt Cu, Porgera – 22M/oz Au, Mt. Kare – 2.4M/oz Au). The Crater Mountain Project area lies within the Australian Plate, effectively at the plate boundary.

The project contains a partly dissected strata-volcano that has intruded a sequence of the fine grained sediments. Quartz feldspar porphyry, quartz diorite and other dioritic intrusives and andesitic volcanics with associated gold and copper mineralization occur along a northerly to the NE trending transfer structure, a significant portion of which occurs on the property. Mineralization is known at several places along this structure but most work has been completed at the northern end at the Nevera Prospect. Limited trenching has given historical results of: 35m at 3.1g/t Au, 15m at 1.45g/t Au, 20m at 1.1g/t Au, and 30m at 1.95g/t Au. Most prospective areas have not yet been trenched.

Evaluation of previous soil and stream geochemistry has defined three prospect areas contiguous with the *Nevera Prospect* and in the general Nevera area at Crater Mountain.

The *Nevera South Prospect*, 2 to 3 kms south of Nevera, has returned gold in two pan concentrates samples that assayed 256g/t Au and 86.3g/t Au.

At the *Nevera Southwest Prospect* rock samples containing up to 33% Zn and 453g/t Ag have been recovered.

And at the *Nevera West Prospect*, a 3 km long zone west of Nevera, gold in soils of 46g/t Au and 15g/t Au have been recorded in addition to many anomalous arsenic values to 860ppm.

Other Properties

The option of the Crater Mountain Gold Project continues the company's philosophy of acquiring and developing projects that have the potential to become major deposits and significantly enhance shareholder value.

This strategy of acquiring advanced exploration projects with experienced partners will allow Celtic Minerals to greatly enhance its chances of finding and developing large scale deposits in the region.

Celtic Minerals is actively pursuing other such opportunities in the Southeast Australasian region that we believe have significant upside in Papua New Guinea and in the other nearby countries. It is anticipated that other properties will be added to the portfolio in the new year.

Celtic encourages the public to visit its website at www.celticminerals.com for updated information on its properties in Papua New Guinea or to email us at info@celticminerals.com to be added to the Company's e-mail list for press releases and updates.

The TSX Venture Exchange had not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

For further information, please contact:

John Steele, President
Celtic Minerals Ltd.
Phone: (416) 703-3694
Fax: (416) 703-3695
Email: jsteel@attglobal.net

Thomas Hart, Corporate Development
Celtic Minerals Ltd.
Phone: (403) 261-2890
Fax: (403) 264-0793
Email: tom@celticminerals.com